

VZCZCXRO4695

PP RUEHCD RUEHGD RUEHHO RUEHMC RUEHNG RUEHNL RUEHRD RUEHRS RUEHTM  
DE RUEHME #3199/01 3141640  
ZNR UUUUU ZZH  
P 101640Z NOV 09  
FM AMEMBASSY MEXICO  
TO RUEHC/SECSTATE WASHDC PRIORITY 8971  
INFO RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE PRIORITY  
RUEHC/DEPT OF LABOR WASHINGTON DC  
RHMFISS/DEPT OF ENERGY WASHINGTON DC  
RHMFIUU/HQS USNORTHCOM  
RHEHAAA/NSC WASHINGTON DC

UNCLAS SECTION 01 OF 03 MEXICO 003199

SENSITIVE, SIPDIS

STATE FOR WHA/MEX, WHA/EPSC, EB/IFD/OMA, AND DRL/AWH  
STATE PASS TO DOL ILAB CRISPIN RIGBY

E.O. 12958: N/A

TAGS: [ECON](#) [ELAB](#) [PREL](#) [PGOV](#) [MX](#)

SUBJECT: ESPARZA'S LAST STAND? NATIONAL STRIKE LIKELY TO FAIL

A: Mexico 2865

[1](#)B. Mexico 2933

[1](#)C. Mexico 2978

[1](#)1. (SBU) Summary: The battle between the Sindicato Mexicano de Electricistas (SME) and the federal government over the shut-down of Mexican electricity company, Luz y Fuerza del Centro (LFC), is dwindling in Mexico City. Former SME leader, Martin Esparza, is mobilizing as many allies and arguments as he can to remain a viable opponent, while Secretary of Labor Javier Lozano and other cabinet Secretaries wage a strong public relations campaign and use their considerable resources to counter the claims of the union. The SME continues to organize protests and rally social and union groups to its cause, but as the crowds are shrinking, so is SME's ability to meaningfully galvanize public opinion. End summary.

#### Calls for a National Strike

[1](#)2. (SBU) The SME has called for a national strike to take place in mid-November. News reports indicate that the remaining SME workers and other radical groups - especially university students - are calling urgently for the strike and that Esparza is working to hold them back. He apparently needs more time to get participating parties organized and to allow for the democratic process of voting within unions on whether or not to strike. Laboff contacts dismiss Esparza's calls for the strike completely: he is losing ground fast and no longer even counts on the entire workforce of the LFC for support. The so-called radical and independent unions and social groups that do support him, however, are facilitating the organization of the strike. While a major strike is unlikely, November could be unsettling for Mexico City. Still, the GOM has handled this issue quite well, and the repercussions for Mexico's competitiveness agenda could be significant should it emerge victorious.

#### Radical Cohesion

[1](#)3. (SBU) In late October Esparza and his allies formed a new united front against perceived government aggression called the National Assembly of Popular Resistance (ANRP). The ANRP counts around 100 social and union groups and is trying to create a Mexico-wide footprint to enable its national strike. The second ANRP meeting took place on November 5 and participants determined to begin a series of peaceful and civic activities to build up to the national strike planned for November 11. Initially the strike planning meeting was planned for October 31 and the strike for November 5, but the SME has pushed both back. Esparza claims this is to give supporters the opportunity to organize their participation, but detractors claim that Esparza is struggling to unify a critical mass. Likely participants will be university groups, peasant and rural worker groups, and dissident unions: the Coordinadora Nacional de Trabajadores de Educacion (CNTE), the unions of telephone workers, tramway workers, and the nuclear industry. November 5 and 11 are significant dates because they mark the one-month anniversary

since Lozano denied Esparza the "toma de nota" and since Calderon shut down LFC. In addition to the major protest march planned for November 11, the SME and its supporters plan to peacefully and symbolically retake the LFC buildings on or before the date of the march. Esparza is also calling for former LFC clients to not pay their CFE bills and for all of Mexico City to turn off the lights on November 11 from 7.30 - 9.30 PM. SME members and their sympathizers began to hang red and black flags from buildings in the evening on November 5 while union and social group leaders organized committees for the November 11 strike. Early reports suggest that the ANRP will block roads and close federal buildings and tollbooths in certain areas of the city.

¶4. (SBU) In addition to social and union groups, the SME receives considerable support from the Partido Revolucionario Democratico (PRD) and the other leftist parties. PRD deputies in the Distrito Federal legislature and UAM students donated more than 250,000 pesos to the SME protest movement on November 5. Support from the PRD may lose value for Esparza, however, in light of the PRD's recent midterm political losses, mostly to the Partido Revolucionario Institucional (PRI). The role of Andres Manuel Lopez Obrador (AMLO), once believed critical to the SME's sustained protest, has waned recently. During the protest on October 15, AMLO did not join the main speakers on the podium for speeches but instead brought up the rear of the march. It is unclear whether he chose that role because he believes the SME protest is doomed and wants some political distance from it or if Esparza sees AMLO as a fading star and relegated him to the back.

#### Splintering Internal Support

¶5. (SBU) Esparza has a growing need for other unions to support his

MEXICO 00003199 002 OF 003

cause as former SME members are increasingly accepting the government's severance package. As of November 3, more than 19,700 workers (44% of the 44,500 former employees) had accepted their severance packages. Workers have until November 14 to accept the severance arranged by the government. These packages are valued at between 10 and 80% more than the legal requirements, depending on the seniority of the worker, and provide, on average, 2.5 years of support. Additionally, nearly 6,500 former LFC employees have expressed interest in working for the Comision Federal de Electricidad.

¶6. (SBU) On October 26, Alejandro Muoz, Esparza's opponent in the SME's June elections, offered to reopen negotiations with the federal government. He accepts that the government will not rescind the decree and asks only to be allowed to improve the severance package for LFC employees. Negotiations between the Secretary of Government (Segob) and Muoz over the expanded package are underway, and the government has accepted early retirement for about 1,500 workers. Munoz and Segob are now struggling over the re-employment of LFC workers in CFE. Esparza continues to deny Muoz' right to speak on behalf of the SME, and Esparza supporters have accused Munoz of stealing 23 million pesos from the SME. According to Munoz, the money is in the SME bank account and can only be withdrawn by the General Secretary and the Treasurer. Given that the SME has no General Secretary since Esparza was denied official recognition, the money cannot be withdrawn. Munoz is also working with Segob on how to properly redistribute the SME funds frozen since October.

#### Legal Issues and Constitutional Questions

¶7. (SBU) Esparza announced on November 2 that the SME will present two constitutional challenges before Mexico's Supreme Court. PRD legislators say the challenges will be based on the constitution's articles defining electricity and oil as property of the nation, though previous reports focused on workers' rights. The GOM has not responded except to say that it has no doubt of the legality and constitutionality of its act. Civilian supporters of the dissolution told Laboff that since LFC was formed by decree and was a decentralized institution, the president has every right to dissolve it by decree. One Laboff contact explained that, based on precedents set in the private sector, the legality is probably not an issue. Moreover, the government planned its move carefully and certainly

studied the legal basis for its action. The legislative committee to investigate the constitutional complaint in the Chamber of Deputies has been disbanded and the issue will be addressed in full session on November 6.

¶8. (SBU) Pending decisions in the Legislature, the SME had also launched several efforts to block the dissolution of LFC and the SME in Mexico's courts. November 6 brought the first SME defeat when a judge ruled that workers could not sue to get their jobs back since the company no longer exists. Unless the decree ending LFC is reversed, workers have no company to work for and therefore no basis for lawsuits. Several other cases are pending addressing possible legal ways to stop the process of dissolving LFC. There is some reason for concern that as legal and civic possibilities for protest fade, the SME and its supporters will become increasingly radical and violent. Already protesters have had a minor clash with police in Hidalgo in Esparza's home town, prompting the GOM to request that everybody concerned respect the rights of expression of both sides.

#### Seeds of Truth in Workers' Rights Violations

-----

¶9. (SBU) Lost in the political and personal drama of this issue is the seed of truth about workers' rights. International Labor Organization (ILO) conventions protect workers' rights to freedom of association, and the legally required GOM certification of the union elections, the "toma de nota," is a solid means of government control on who leads which unions. Although both the miners' strike and the electricians' case are vastly more complicated, both are directly affected by the "toma de nota" issue. Much of the sympathy for the SME in Mexico and around the world comes from the violation of workers' rights to organize and function independently of the government, and many international unions, including some from the U.S., have expressed their solidarity based on this issue alone. For many of the international supporters, the issues of corruption and abuse among union leaders are lost in the question of union autonomy.

¶10. (SBU) Comment: The problem of inappropriate government control of union activities and officers should not be dismissed even though the leaders and activities of the SME and many of its current allies are questionable. Esparza's likely failure in his quest for a national strike will hopefully end the resistance movement and allow the LFC workers to accept their severance pay and return to gainful

MEXICO 00003199 003 OF 003

employment. The government has a lot to gain by allowing Esparza to exit gracefully after his fight: if other unions are confronted in the future, the government could save itself some unrest if the union leaders know that they will be looked after. Given Esparza's tenacity to date, it is hard to say how this issue will end. In spite of the SME's continued agitation and its position at the head of a radical front, its popular support is diminishing. End comment.